SAEM: Financial Aid and Affordability Workgroup

1/21/2022

Recommendations

Recommendation #1: Provide a PASSHE-sponsored, low/no cost to student, extended -payment plans

With the cost of education at the top of everyone's minds, providing families with options to afford a PASSHE education should be a priority. While many schools have in-house payment plan options for families to make payment on their semester bills and others may contract with a third-party vendor for payment plans, these options may be either too short to make the payments affordable, administratively challenging, and/or expensive for the schools and families.

It is recommended that PASSHE establish a single entity to provide a cost-sensitive, 12- month payment plan option for all students at PASSHE schools and it be centrally managed to improve efficiency and control costs. This can be either developed in-house centrally or with the assistance of single third-party vendor.

Having a single vendor/process for student payment plans across the system can ensure that all schools and students have access to an affordable service that can help improve affordability at a PASSHE school by allowing families some relief within their monthly budgets and reduce outstanding balances as a barrier for retention and persistence to graduation.

Additional Information:

- *Intended outcomes for recruitment, retention, and/or graduation*: Recruitment, retention, and graduation would all be impacted by easing the monthly financial burden to students. A well-developed website that focuses on financial literacy and financing a student's education could also be a useful tool for PASSHE schools to use as part of an overall loan default management program.

- *Resources Required (financial, human, system assistance, etc.):* Financial support from the system would be required to create or purchase/contract for a single payment plan. The dollar amount would depend on procurement of these services (or the creation of an in-house system) (please see "other comments" below). Human resources at the system level would be required to implement and manage the single payment system and training required for the individual campuses if the plan is created in-house.

- *Scalability to the Pennsylvania State System of Higher Education*: It would be anticipated that this system could be offered/utilized by all system universities and that a savings may be realized from a single contract to provide these services on a large-scale basis.

- *Other comments*: Research on vendors (or put out an RFP/RFI if the system doesn't currently have any for these services), would need to be completed for the most advantageous and cost-effective service. In light of the short time frame we have for the recommendations; this has not been completed in order to assess an approximate cost for such a service from a third-party.

Recommendation #2: Financial Literacy Education (specific to paying for college)

Financial literacy education is a topic that is either currently being discussed or already implemented on many of our campuses. While the value of general financial literacy education is undisputed, it is the opinion of the workgroup that a more focused initiative regarding financial literacy should be explored. The recommendation is that we focus efforts on providing in-depth, relevant, clear, and current information to families specifically about the benefits of applying for financial aid, the financial aid process, and financial aid programs available. It could also provide information about a PASSHE payment plan option if recommendation #1 is adopted.

It is recommended that this information be provided as a website that is centrally managed and available as a link for all PASSHE schools to post on their respective websites. Having a centrally managed web presence regarding financial aid would ensure that all schools have the most relevant, up to date, and consistent message about financial aid and paying for college.

A website providing this information could also prove to be an effective marketing tool for the system if a strong search engine optimization strategy is employed, allowing it to be a resource that comes to the top of a search when anyone does a generic financial aid web search on the topic of financial aid; therefore, bringing visibility to PASSHE schools and our commitment to affordability.

We understand that PHEAA School Services and Regional Representatives are providing financial aid information to high school students and families. We support and encourage their financial aid awareness efforts as financial literacy should begin as early as possible. A centrally managed website could support and strengthen their efforts by providing valuable resources for students and families to make informed financial decisions on paying for college.

Additional Information:

- ***Intended outcomes for recruitment, retention, and/or graduation***: Transparent, navigable, and consistent information about financing higher education will enable students to realistically explore financial options available to attend and complete college.

  Additionally, if the system would be robust enough to include information that could provide relevant, useful information at various stages of a student (or family's) preparedness level regarding paying for college, it could be made available to all students in the traditional admission funnel, not only incoming and current students, as well students for whom we have contact information (ex: from sport camps, academic competitions, events, etc. that occur on our campuses) that fall outside the traditional enrollment funnel to begin to engage families very early on and bringing awareness of and affinity to PASSHE institutions by demonstrating our commitment to helping students achieve their higher education dreams.

- ***Resources Required (financial, human, system assistance, etc.):*** To build and regularly maintain a proprietary site, it would require expertise in financial aid, which could be achieved with financial aid officers at our various schools; technology expertise to build and maintain the site; enrollment management and marketing experience to determine the right message/information, to the right populations at the right time, which could also be sourced from our various campuses; and a central coordinator to ensure that the information is constantly being updated with the latest information and that the technology is up to date. Given the dynamic nature of financial aid, it would be imperative that this not be a "one and done" project but one that is constantly updated with the timeliest information.

- ***Scalability to the Pennsylvania State System of Higher Education:*** Centralizing this resource would enable all of the PASSHE schools to link to the same website for up to date, consistent, and relevant information and deploy the use of the tool in the manner that meet the needs of the individual institution. Financial literacy education is an area that most, if not all, of the schools in PASSHE have been implementing (or have implemented) and a centralized model would allow for staff to concentrate on other competing priorities related to assisting our students.

- ***Other comments***:

Recommendation #3: Provide gap "gap funding" resources for students

All too often, finances are a primary reason for a student not matriculating at or retaining/persisting at PASSHE schools. Either a student cannot pay the current balance to register for the next semester or will no longer have the funds to continue even if they do not have a financial hold. Though we have a collective commitment to provide an affordable education to our Commonwealth students and beyond, financial crises arise for families that require a student put their education aside for a period of time or, worse, stops a student's education from proceeding at all.

Federal and state resources, in some cases, can help with changes in a student's financial circumstances; however, even with this additional assistance, students all too often still find that their financial need is not being met. Typical circumstances that arise for students and are seen regularly on our campuses include situations such as parents with negative or no credit and therefore cannot access parent PLUS loans and/or co-sign for a student's alternative loan, job loss or change of a student or parent, death of a parent, and many other family income changes and even family tragedies in some cases.

While some schools have limited resources to address these issues, it is not enough to address all students' needs. Providing a system-funded "gap funding" resource for schools to award for special populations could defray cost and finances as being a barrier to education for students in these special situations.

Additional Information:

- ***Intended outcomes for recruitment, retention, and/or graduation***: Being able to provide gap funding would help with recruitment and especially retention. Having a prior balance is a major factor in why students stop out after their first semester or first year.

- ***Resources Required (financial, human, system assistance, etc.):*** PASSHE would need to allocate financial resources for this initiative or funding would need to be provided through the PASSHE Foundation. Additional human or system resources would be minimal.

- ***Scalability to the Pennsylvania State System of Higher Education***: Funding would be allocated to each of the PASSHE universities based on need and enrollment. Uniform awarding guidelines could be provided to the universities.

- ***Other comments***: Students targeted for these funds would be those students with no parent involvement due to special circumstances or parents experiencing documented financial hardships who cannot assist with direct payments or co-sign private loans. Students would also need to have completed the FAFSA and utilize any grants, scholarships and/or loans offered to them (for example, students who decline federal loans would not qualify).

Recommendation #4: Creating a system-wide transfer credit guarantee for students transferring from a Pennsylvania community college after completion of an AA or AS general studies degree

Controlling or reducing student debt is something that students often consider when choosing an institution of higher education. An option that is attractive to many students is beginning their educations at a local community college and then transferring to a bachelor's degree-granting school at the completion of their associate degree.

Since time to degree is a critical component in student debt, it is proposed that a system-wide transfer credit guarantee be implemented for students graduating from PA Community Colleges with an AA/AS degree in general studies. The guarantee is that the student will receive 60 credits that count towards the completion of their bachelor's degree requirements at PASSHE schools. This not only helps successfully decrease the time to degree after transferring, but it also eliminates confusion and concern from transferring students about how many credits students would need to complete to graduate with a bachelor's degree from a PASSHE school.

Since the current TAOC agreement doesn't cover all AA/AS degrees at the community colleges for all PASSHE schools, this would open an opportunity for all students at our PA community colleges who earn an AA/AS degree in general studies. The general studies or "transfer" degree programs at PA community colleges is the most logical program to consider for this particular initiative

Additional Information:

- ***Intended outcomes for recruitment, retention, and/or graduation:*** Marketing this guarantee would be impactful on community college student recruitment to PASSHE schools and could improve the retention, therefore the degree completion rates at both the community colleges and the PASSHE schools.
- ***Resources Required (financial, human, system assistance, etc.):*** This is a low/no cost solution for the system. For each university's transfer office, it may improve staff processing time and provide clarity for incoming prospective community college students.

Scalability to the Pennsylvania State System of Higher Education: This would eliminate the need for each system university to go through their university process for approval of this general studies articulation if it were a blanket approval by the system. The general studies or "transfer" degree programs at PA community colleges would be the most logical, and, possibly, the most efficient to consider for this initiative, as community college general studies courses usually transfer more seamlessly to university degree requirements. Most of these courses already transfer easily to many PASSHE university degree programs.

- ***Other comments:*** Currently, for schools to accept 60 credits towards a bachelor's degree for students with the AA/AS degree in general studies, this may need to go through university senate and may or may not be approved.